Supreme Court, U.S.
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No. 01-818

In the Supreme Court of the United States

ESTATE OF JAMES S. BISHOP,
Petitioner,

v.

EQUINOX INTERNATIONAL CORP.,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT

REPLY TO BRIEF IN OPPOSITION

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REPLY

This Brief is in reply to the RESPONDENT'S BRIEF IN OPPOSITION based upon new points raised therein as authorized by Rule 15 (6) of the Rules of the Supreme Court of the United States.

REASONS FOR GRANTING THE WRIT

I. There is a conflict among the circuits and the decision below underscores such a conflict

On page 3 of Respondent's Brief, it is stated "The rationale of deterrence is not a limitation on the unjust enrichment theory - - -." However, as applied in the decision below it is a limitation and constitutes a condition precedent (in this particular case). That a court or judge could make such an improper combination of the two rationales, emphasizes the need to resolve the conflict. The argument that Bishop gets "two bites at the apple" (Page 3 of Respondents Brief) is wrong. In fact Bishop has to overcome two hurdles in succession.

In the Order of September 22, 1999 Judge Ellison ruled:

> In considering all of the equities in this case, the relative weakness of the mark, the lack of consumer confusion or deception, and that Equinox did not benefit from Bishop's mark, the court rejects, as it did in the original finding, the notion that prevention of unjust enrichment is a sufficient rationale for awarding profits. In particular, the Court

> found that Defendant did not benefit from Plaintiff's "relatively obscure" mark. Further, assuming that profits can be awarded in this circuit as a deterrence to willful infringement, the Court finds that when weighing the equities, particularly that bad faith was found in Defendant's failure to honor the cease and desist agreement, the award of attorney fees is a sufficient deterrent under these circumstances. (Pet. App. C 31a)

Separating the unjust enrichment portion from the deterrence portion in the above quote, Judge Ellison first stated that "the court rejects - - - the notion that the prevention of unjust enrichment is a sufficient rationale for awarding profits."[1] Then Judge Ellison concluded, secondly, that "the award of attorney fees is a sufficient deterrent under these circumstances." Obviously, if Bishop could have convinced Judge Ellison that he was entitled to profits under the theory of unjust enrichment, he would still have to convince the judge that such profits were necessary, in addition to the attorney fees awarded, to deter future infringement. Clearly, this is not what the Tenth Circuit had in mind when it stated in the first decision: "This theory of unjust enrichment has long been the rule in thus Circuit." (Pet. App. D at 41a)

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[1] Judge Blalock, in his dissent (Pet. App. B at 21a) commented that this statement by itself is an incorrect statement of the law.

II. The decision below was incorrect

In the recently submitted opposition brief, Respondent argued (Respondent's Brief in Opposition at 5) that Bishop mis-perceived "deterrence to be a condition precedent." As pointed out above, Judge Ellison did, in fact, make deterrence a condition precedent. Establishing a right to the infringer's profits under the rationale of unjust enrichment is the first hurdle for Bishop to overcome. Showing that the award of such profits is necessary to deter the infringer is a second hurdle for Bishop to overcome.

CONCLUSION

The Petition should be granted.

Respectfully submitted,

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